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Report of the Special Committee on the Charter of the United Nations and on the strengthening of the role of the Organization

Implementation of provisions of the Charter related to assistance to third States affected by the application of sanctions

Report of the Secretary-General

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* A/52/150 and Corr.1.

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I. Introduction

1. At its fifty-first session, the General Assembly adopted, without a vote, resolution 51/208 of 17 December 1996 entitled "Implementation of the provisions of the Charter of the United Nations related to assistance to third States affected by the application of sanctions".

2. In paragraphs 4 to 8 and 10 of the resolution, the General Assembly:

(a) Requested the Secretary-General to ensure that the competent units within the Secretariat that he designated to carry out the functions stipulated in paragraph 3 of General Assembly resolution 50/51 of 11 December 1995 develop the capacity and modalities for providing better information and early assessments for the Security Council and its organs, at their request, about actual or potential effects of sanctions on third States which invoke Article 50 of the Charter; such assessments should, as appropriate, identify specific problems and needs of those States and suggest specific ways and means for their alleviation to be included in the recommendations of the Council and appeals by the Secretary-General to the donor community for assistance to the adversely affected States;

(b) Also requested the Secretary-General to continue, on the basis of the work already done, efforts with a view to developing a possible methodology for assessing the adverse consequences actually incurred by third States as a result of preventive or enforcement measures, and to utilize for that purpose all the expertise available throughout the United Nations system, including that of the international financial and trade institutions; that methodology, upon appropriate approval, should be made available to interested States that might wish to use it in preparing the data to annex to their applications under Article 50, as well as to the United Nations system, the international financial institutions and the donor community for use in considering requests for assistance;

(c) Further requested the Secretary-General to continue, on a regular basis, to collate and coordinate information about international assistance available to third States affected by the implementation of sanctions and to initiate action to explore innovative and practical measures of assistance to the affected third States, *inter alia*, through cooperation with relevant institutions and organizations inside and outside the United Nations system;

(d) Reaffirmed the important role of the General Assembly, the Economic and Social Council and the Committee for Programme and Coordination in mobilizing and monitoring, as appropriate, the economic assistance efforts by the international community and the United Nations system to States confronted with special economic problems arising from the carrying out of preventive or enforcement measures imposed by the Security Council and, as appropriate, in identifying solutions to the special economic problems of those States;

(e) Invited the organizations of the United Nations system, international financial institutions, other international organizations, regional organizations and Member States to continue to address more specifically and directly, where appropriate, special economic problems of third States affected by sanctions imposed under Chapter VII of the Charter and, for that purpose, to consider improving procedures for consultations to maintain a constructive dialogue with such States, including through regular and frequent meetings as well as, where appropriate, special meetings between the affected third States and the donor community, with the participation of United Nations agencies and other international organizations;

(f) Requested the Secretary-General to submit a report on the implementation of the resolution to the General Assembly at its fifty-second session.

3. The present report is prepared in response to General Assembly resolution 51/208.

II. Appropriate arrangements in the Secretariat for providing better information and early assessment for the Security Council and its organs about the actual or potential effects of sanctions on third States which invoke Article 50 of the Charter

4. The Secretary-General has taken due note of paragraph 4 of General Assembly resolution 51/208, whereby he was requested by the Assembly to ensure that the competent units within the Secretariat designated by him to carry out the functions mentioned in paragraph 3 of Assembly resolution 50/51[1] develop the capacities and modalities for providing better information and early assessments for the Security Council and its organs, at their request, about actual or potential effects of sanctions on third States which invoke Article 50 of the Charter.

5. In this connection, the Secretary-General reaffirms that the arrangements that were put in place in 1996 and reflected in paragraphs 4 to 11 of his previous report on the matter (A/51/317), continue to apply. The arrangements made in the Secretariat in this regard may be summarized as follows:

(a) The Department of Political Affairs, in consultation with the Department of Economic and Social Affairs,[2] would be responsible for carrying out the tasks set out in paragraph 3 (a)[3] of General Assembly resolution 50/51, namely, collating, assessing and analysing information, at the request of the Security Council and its organs, on the effects of sanctions regimes in third States which are or may be specially affected by the implementation of sanctions and the resulting needs of such States, and keeping the Security Council and its organs informed;

(b) The Department of Political Affairs would also be responsible for the tasks contemplated in paragraph 3 (b) of the resolution, namely, providing advice to the Security Council and its organs at their request on specific needs or problems of those third States and presenting possible options so that, while maintaining the effectiveness of the sanctions regimes, appropriate adjustments may be made to the administration of the regime or the regime itself with a view to mitigating the adverse effects on such States;

(c) The Department of Economic and Social Affairs would implement the tasks referred to in paragraph 3 (c) of the resolution, namely, collating and coordinating information about international assistance available to third States affected by the implementation of sanctions and making such information officially available to the interested Member States;

(d) The tasks under paragraph 3 (d) of the resolution, namely, the exploration of innovative and practical measures of assistance to the affected third States through cooperation with relevant institutions and organizations inside and outside the United Nations system, would be the responsibility of the Department of Economic and Social Affairs;

(e) It should be noted that since the above arrangement was based on "existing resources", the overall budgetary resources currently available to the departments concerned would have to be maintained in the future. Furthermore, in connection with the performance of certain functions, the arrangement was also relying on the availability of a number of staff relieved from the performance of other functions as a result of the suspension by the Security Council of specific sanctions regimes;

(f) It is also understood that this distribution of primary responsibilities did not preclude further cooperation between the relevant departments, as appropriate, and that the setting in motion of the functions contemplated in several subparagraphs of paragraph 3 of resolution 50/51 was dependent on a request either by the Security Council, its organs or by interested Member States. In this connection, the Secretary-General notes that, while the Secretariat is ready to put the above-mentioned arrangement into operation, no request to that effect has yet been received.

III. Developing a possible methodology for assessing the consequences actually incurred by third States as a result of the implementation of preventive or enforcement measures

6. With a view to assisting the Secretary-General to develop a possible methodology for assessing the consequences actually incurred by third States as a result of preventive or enforcement measures, the Secretary-General invited the World Trade Organization (WTO), the World Bank, the United Nations Conference on Trade and Development (UNCTAD), the International Monetary Fund (IMF) and the United Nations Development Programme (UNDP) to provide him with ideas and suggestions on how best to develop and prepare such a methodology.[4] In response, the executive heads or designated representatives of those organizations indicated that they were well aware of and fully shared the concern of the United Nations regarding the special economic problems of neighbouring and other third States affected by the implementation of sanctions imposed under Chapter VII of the Charter of the United Nations. In this connection, they confirmed, either explicitly or implicitly, that, at present, there was no uniform and internationally recognized methodology for identifying and assessing actual or potential consequences incurred by third States as a result of such preventive or enforcement measures. Therefore, they took due note of and acknowledged the efforts by the United Nations Secretariat to develop and formulate, based on practical experiences in the application of Article 50 of the Charter, particularly in the cases of sanctions imposed on Iraq and the Federal Republic of Yugoslavia (Serbia and Montenegro), a set of general principles or criteria for evaluating, on a more standardized, comparable and acceptable basis, the effects of sanctions on third States (A/48/573-S/26705, paras. 70-81, and A/51/317, paras. 16-34). In principle, there is general

agreement that an accurate and transparent impact assessment, based on a common approach to or understanding of the issues involved, is essential both to design the appropriate domestic policy response and to seek adequate external assistance in coping with the side effects of sanctions.

7. The World Bank expressed the view that it might be difficult to construct a general methodology to evaluate the impact of sanctions on neighbouring States. Experience shows that there are many channels along which foreign trade and local commerce can flow, and in each country there has developed a different mechanism to adapt to sanctions applied to a neighbouring State, particularly after the initial impact of the imposition of sanctions. Just as evaluation is different in each circumstance, country differences and differences in circumstances are very large variables that must be taken into account. Nevertheless, the World Bank indicated that it appreciated the importance of developing a better understanding in forums such as the United Nations of evaluating sanctions-related economic impacts, and that the Bank staff would be willing to discuss individual country situations as background for improving information and reviewing individual cases.

8. Despite the World Bank's view that it would be difficult to develop a general methodology for the task at hand, the Bank itself and several other international financial and trade institutions provided some general comments on the framework described in the previous report of the Secretary-General on the subject (A/51/317, paras. 16-34). Thus, the World Bank stated that the analytical framework proposed in the above-mentioned report seemed appropriate to the Bank. The Bank noted that the important question would be to see how an economy adjusted to the sanctions imposed on a partner, in terms of flows of goods, people and capital. In some cases it might prove easy for countries to shift their trade to other partners, while in others it would be difficult. The Bank indicated the desirability of quantifying the welfare losses during the transition and also compare the new State (after transition) with the pre-sanction situation. While the analytical approach was clear, it would be difficult in practice to estimate these losses. The Bank agreed with the point that good macroeconomic data would be essential to any serious effort to measure the effects of sanctions on third parties.

9. The International Monetary Fund forwarded a paper entitled "Impact of implementing United Nations sanctions against the Federal Republic of Yugoslavia (Serbia and Montenegro)".[5] Pursuant to the request of the United Nations for the Fund's assistance in the matter, the paper contained an assessment of the affected countries' estimates of the impact of their implementation of the sanctions. The paper also included a discussion of some relevant methodological issues. The contents of this paper had already been fully taken into account by the Secretary-General when the 1996 report was prepared (A/51/317, paras. 16-34).

10. It may, however, be useful to recall that methodological considerations identified and discussed, both in the Fund's paper and in the Secretary-General's report, included the following points: (a) estimating the impact of sanctions requires making the distinction between the narrow effects of the application of sanctions and the broader effects of economic disruption caused by other events (A/51/317, para. 19); (b) while a complete analysis should seek to assess the overall welfare implications of the imposition of sanctions, data limitations and methodological difficulties (e.g., the risk of double-counting) may require an assessment to focus primarily on the balance-of-payments impact of sanctions and associated external financing needs of an affected country (ibid., para. 26); (c) conceptually, only incremental costs arising from the implementation of sanctions (e.g., only the additional cost of obtaining replacement imports from other sources, rather than the full value of imports that can no longer be obtained from the sanctioned country) should be included in the estimates (para. 28); (d) while detailed analysis at the enterprise level may be useful in identifying and assessing the impact of sanctions on some balance-of-payments items, their consistency with broad aggregate estimates should be checked (para. 30); (e) in principle, estimates should cover both the direct, first round impact of sanctions (i.e., income forgone and additional costs incurred as a result of terminated trade in goods and services and suspended financial transfers) and the indirect, second round effects such as the reduction of imported inputs following the decline of exports or output (para. 27); (f) while all affected current-account items should be included in the estimate of the balance-of-payments impact of sanctions, the inclusion of capital-account items may not always be warranted as they are often linked to current-account transactions (para. 29). In addition, the report of the Secretary-General elaborated on some other issues related to the general conceptual framework (paras. 18, 20 and 21), categories and types of incurred losses and costs (paras. 22-25), application of global econometric models (para. 32) and statistical support (para. 33).

11. The United Nations Conference on Trade and Development reiterated and supported several points made in the previous report of the Secretary-General on the subject (A/51/317, paras. 16, 19, 20, 21, 24 and 32). In particular, it suggested that a time series model was perhaps the most

accurate tool, which should assist in examining and/or estimating the impact of losing an export market. UNCTAD also discussed the need to examine the composition of the industry in question and the position of an individual firm affected by sanctions, including its market share of the affected industry and the industry's share in the firm's revenues, as well as the implications of the quantitative analysis of such variables on assistance or compensation policies.

12. In the light of the above comments and observations from the competent organizations in this field, it is proposed that the Department of Economic and Social Affairs should continue its efforts, on the basis of the work already done, with a view to developing a possible methodology for assessing the consequences actually incurred by third States as a result of preventive or enforcement measures. For this purpose, and in order to ensure a broad-based origin and application of such a methodology, the Department of Economic and Social Affairs should convene an ad hoc expert group meeting on the subject in the first half of 1998, with the participation of both internationally renowned experts in the area and representatives of the relevant organizations both inside and outside the United Nations system, particularly the international financial and trade institutions. The outcome of the expert group meeting (possibly, in the form of methodological or technical guidelines) should then be submitted for the consideration of Member States, whose political support both at the United Nations and in the governing bodies of the agencies concerned would be essential for universal acceptability, and effective application of such guidelines. Upon appropriate approval, the methodology should be made available to interested States, which may wish to use it in preparing the data to be annexed to their applications for international assistance under Article 50 of the Charter, as well as to the United Nations system, the international financial institutions and the donor community for use in considering requests for assistance.

IV. Coordination of information about international assistance available to third States, in cooperation with relevant institutions and organizations inside and outside the United Nations system

13. With a view to implementing paragraph 6 of General Assembly resolution 51/208, the Secretary-General sought the assistance of relevant institutions and organizations inside and outside the United Nations system[6] in order to seek their cooperation in collecting and coordinating information about international economic assistance available to affected third States and to explore innovative and practical measures of assistance to those States. These organizations and institutions, both inside and outside the United Nations system, reiterated their awareness and concern about the question of special economic and other consequences encountered by third States as a result of the implementation of sanctions imposed under Chapter VII of the Charter of the United Nations. A number of organizations reported on assistance made available to third States, and provided suggestions on possible innovative and practical measures to continue a constructive dialogue with affected third States for speedy consultations on assistance to them.

14. The Food and Agriculture Organization of the United Nations (FAO) stated that it continues to collaborate in the provision of assistance to third States affected by sanctions, and to maintain a dialogue with all countries to which resolution 51/208 applies. Moreover, through its support to the resident coordinator system, FAO collaborates closely with other development organizations and entities both within and outside the United Nations system in efforts aimed at alleviating the negative effects of sanctions to third States.

15. The World Health Organization (WHO) reported that, in the initial stages of the Gulf crisis, it was instrumental in facilitating the provision of health-care services to populations of third States who were in transit through Jordan (from Iraq and Kuwait). WHO also appealed to donors to provide medicines and financial assistance in caring for more than 800,000 people in Jordan during the first two weeks of the crisis, and was also instrumental in the coordination of activities in alerting donors of the need for financial resources and donations in-kind for the maintenance of stocks of medicines and medical supplies. A similar role was played by WHO during the crisis that arose as a result of the movements of the Iraqi Kurdish population in March 1991 to the borders of Turkey and the Islamic Republic of Iran.

16. WHO observed that while the negative health effects arising from the imposition of sanctions on Iraq are still affecting some third States in the Middle East, the impact of sanctions on other countries appears to be negligible. In the case of the Gulf crisis, there is still a ripple effect throughout the neighbouring countries of the area.

17. IMF indicated that it has provided policy advice and made financial assistance available under its various facilities in support of policies aimed at addressing some of the difficulties of the concerned countries. In the case of third States affected by sanctions imposed against the Federal Republic of Yugoslavia (Serbia and Montenegro), the Fund pointed out that all of the eight third countries that invoked Article 50 of the Charter of the United Nations made use of the Fund's financial assistance in the period between 1992 and 1996. This assistance was provided either under a standby arrangement from the Systemic Transformation Facility (STF) or, as in the case of low-income countries, from the Enhanced Structural Adjustment Facility (ESAF).

18. The Fund also observed that it provided technical support for efforts to assist those States. Such support included an assessment paper on the estimates submitted by third States of the costs of implementing the sanctions imposed against the Federal Republic of Yugoslavia (Serbia and Montenegro). In addition, the Fund, in collaboration with the World Bank, provided technical and analytical support to the Gulf Crisis Financial Coordination Group, established to assist certain affected States.

19. Moreover, the Fund, in considering the needs of third States arising from negative economic consequences attributable to the implementation of sanctions, uses existing credit facilities within the Fund that provide flexibility to respond to the financing needs of individual members. In addition to facilities related to countries with a Fund arrangement, other facilities of the Fund include the participation of IMF in consultative groups and other donor meetings, and regular consultations with all members as part of the surveillance activities under article IV of the IMF Articles of Agreement. For a third State that has been affected by the implementation of sanctions but that does not currently have a Fund arrangement, it is therefore possible to have regular consultations with the Fund under those other facilities with a view to identifying solutions for its economic difficulties related to the implementation of sanctions.

20. With regard to improved consultation procedures, the Fund reported that it strives to make its surveillance activities mentioned above more continuous, and to further improve its focus, including regional issues. The Fund envisages that these efforts will be continued in the future.

21. With regard to postal services, the Universal Postal Union (UPU) referred to the situation of postal administrations of third States adversely affected whenever the sanctioned country is a transit route for postal material. Such adverse effects may occur not only whenever specific postal material is the subject of sanctions, but also when air traffic to a sanctioned State is interrupted or suspended. In the case of sanctions imposed against the Federal Republic of Yugoslavia (Serbia and Montenegro), negative consequences have been experienced by the postal administration of the former Yugoslav Republic of Macedonia. However, while the suspension and/or interruption of international ocean and surface connection may cause adverse situations for postal services, they are generally of a less serious impact than in situations arising from the interruption of air traffic. The efforts of UPU to minimize those negative effects include the dissemination of information on new air, surface or maritime linkages used by postal administrations with the expectation that those countries affected may find them useful.

22. UPU also referred to the case of postal administrations of third States that do not receive payment for distribution of postal material addressed to countries directly affected by sanctions. This may arise whenever the latter's assets are embargoed and/or its exports reduced. In general, developing countries are usually the most affected in such situations, particularly since they normally have a greater amount of incoming postal material that needs to be distributed.

23. The United Nations Development Programme continued to provide assistance to improve alternative land routes in connection with the Federal Republic of Yugoslavia (Serbia and Montenegro) with a view to minimizing the adverse impact of sanctions on neighbouring States. Accordingly, work was completed along the border of Albania and the former Yugoslav Republic of Macedonia and the port of Durres. (The work, however, sustained heavy damage during the recent crisis in Albania.) Under the UNDP/United Nations Population Fund (UNFPA) country cooperation framework for Bosnia and Herzegovina, assistance is focused on three areas: (a) policy and advisory services; (b) integrated, multisectoral, area-based development projects; and (c) sectoral assistance projects. More than $24.8 million has been programmed for Bosnia and Herzegovina.

24. With regard to Croatia, under the UNDP/UNFPA country cooperation framework, UNDP assistance includes a multisectoral area development project to meet the needs in the areas of employment, production, agriculture, health and community infrastructure, and another similar project of $2 million, contributed by the Government of Belgium, is currently being formulated.

25. UNCTAD stated that it stands ready to provide technical assistance to affected third States and to participate

in related procedures for further consultations on the provision of assistance to them.

26. The United Nations Children's Fund (UNICEF) considered that the long-term benefits of sanctions do not always outweigh the immediate costs to children. UNICEF, therefore, advocates that an assessment of the impact of sanctions on children in third States be required and effectively ensured at the time sanctions are adopted, and be continued thereafter on an ongoing basis until the sanctions are lifted. UNICEF considers this to be consistent with the viewpoint of the Machel study on the impact of armed conflict on children (A/51/306). Within this context, UNICEF suggested that the following measures be considered in the assessment of the impact of sanctions on children in third States:

(a) Undertaking a child impact assessment that considers humanitarian child-focused exemptions and efforts to ensure the enjoyment of children's rights, including health and nutrition;

(b) Monitoring the humanitarian impact of sanctions and its adjustment in cases of undue negative impact on children;

(c) Preventing the endangering of the lives of children and other vulnerable groups of population.

27. The World Food Programme (WFP) indicated that it has undertaken a number of activities in support of third States, although they may not have been directly related to the special economic problems of those States. For example, WFP procures in Turkey the majority of food aid to assist Iraq, and also uses transport facilities available in the region for mobilizing food aid. In the case of Jordan, WFP has utilized, where relevant, the port of Aqaba in its activities related to food distribution. Within the context of its food-for-work programme for rural development, WFP has continued to provide assistance to Jordan (over $3 million a year) and, as mentioned above, has carried out food-related activities involving the procurement of food in Turkey, totalling $47.6 million since 1994.

28. WFP also reported that in pursuance of Security Council resolution 986 (1995), commercial activities involving food contracts have taken place in Turkey and Jordan, as approved by the sanctions committee on the supply of commodities to Iraq. Moreover, during the current biennium 1996-1997, WFP has also provided emergency food aid to two of the eight countries that experienced economic problems arising from the application of sanctions against the Federal Republic of Yugoslavia (Serbia and Montenegro), namely, the former Yugoslav Republic of Macedonia, where $475,000 of food assistance was provided to refugees and internally displaced persons, and Albania, where approximately $3.8 million of food assistance was provided to the population affected by the civil strife.

29. The Office of the United Nations High Commissioner for Refugees (UNHCR) reported that it continued to promote in the current biennium both local and regional procurement of supplies and services (approximately $3.7 million) within its programme related to assistance provided to third States.

30. The European Bank for Reconstruction and Development (EBRD) indicated that, in general, it takes account of General Assembly resolutions on sanctions in the provision of assistance to countries of Central and Eastern Europe, including the former Soviet Union, and in the procurement of goods and services under Bank-financed projects. Thus, the priorities and needs of all of the Bank's member countries of Central and Eastern Europe that have indicated that they have been affected by the application of sanctions have been considered in the Bank's country strategies and operational programmes for those countries. In this context, aspects of financing available to them from other sources, both bilateral and multilateral, are also taken into account.

31. The Council of Ministers of the European Union indicated that it strongly supports the measures stipulated in General Assembly resolution 50/51 and the activities undertaken by relevant organizations of the United Nations system, including other international and regional organizations, in the provision of assistance to third States affected by the implementation of sanctions, and has also provided economic and humanitarian assistance to such States. The European Union also stressed that continuous and close attention should be given to adversely affected third States, as foreseen in Chapter VII of the Charter of the United Nations.

32. A number of third States have continued to encounter economic difficulties arising from the application of sanctions under Chapter VII of the Charter. With the objective of minimizing those consequences, many organizations of the United Nations system, as well as other international and regional institutions, have continued to provide development and financial assistance to affected third States. Some of the assistance provided has not taken place in direct response to countries invoking Article 50 of the Charter, but has taken place within the context of regular development and humanitarian assistance programmes of various organizations.

33. With a view to enabling the organizations and institutions concerned to continue to provide assistance to

third States, and minimize therefore the effects of the application of sanctions on them, the General Assembly may wish to request the ad hoc expert group meeting, mentioned in paragraph 12 above, to also explore innovative and practical measures of assistance that could be provided by the relevant organizations both within and outside the United Nations system to the affected third States, with a view to identifying guidelines that should be considered when sanctions are imposed, and that could help to minimize their negative consequences.

V. Recent developments related to the role of the General Assembly, the Economic and Social Council and the Committee for Programme and Coordination in the area of assistance to third States affected by the application of sanctions

34. Pursuant to paragraph 7 of General Assembly resolution 51/208, the General Assembly, the Economic and Social Council and the Committee for Programme and Coordination have continued to play their respective roles in mobilizing and monitoring, as appropriate, the economic assistance efforts by the international community and the United Nations system to States confronted with special economic problems arising from the carrying out of preventive or enforcement measures imposed by the Security Council and, as appropriate, in identifying solutions to the special economic problems of those States.

35. At its fifty-first session, the General Assembly had before it a report of the Secretary-General on economic assistance to States affected by the implementation of the Security Council resolutions imposing sanctions against the Federal Republic of Yugoslavia (Serbia and Montenegro) (A/51/356), which was submitted under agenda item 21 (b) entitled "Strengthening of the coordination of humanitarian and disaster relief assistance of the United Nations, including special economic assistance: special economic assistance to individual countries or regions". The report contains detailed information on bilateral and multilateral assistance provided, in 1995-1996, to the affected countries, with particular reference to the relevant activities of the World Bank, IMF, UNDP, UNCTAD and the Economic Commission for Europe, as well as the European Union and EBRD, in the fields of balance-of-payments support, transport and infrastructure development and trade and investment promotion in the Balkan region. As a new element, the report also provides information on the participation of suppliers from the neighbouring and other affected countries of the region in the international efforts (in particular, those undertaken under the auspices of the World Bank, the European Union and EBRD, as well as UNHCR and WFP) for rehabilitation and reconstruction of the crisis-stricken areas in the former Yugoslavia, thus alleviating the adverse impact on those States of the sanctions lifted under the terms of Security Council resolution 1074 (1996) of 1 October 1996.

36. In its resolution 51/30 A of 5 December 1996, the General Assembly, *inter alia*, reaffirmed the need for a continuing concerted response from the international community to deal in a more effective manner with the special economic problems of the affected States in the period following the lifting of the sanctions; renewed its invitation to the international financial institutions and in particular IMF, the World Bank and EBRD to consider ways and means for mobilizing and providing resources for mitigating the continuing negative impact of the consequences of the sanctions on the affected States; renewed its request to the competent organs, programmes and specialized agencies of the United Nations system to take into consideration the special needs of the affected States in programming their development activities; and renewed its appeal to all States to provide technical, financial and material assistance to the affected countries to mitigate the continuing adverse impact of the sanctions on their economies.

37. In response to paragraph 9 of General Assembly resolution 51/30 A, the Secretary-General will submit to the Assembly at its fifty-second session a further report containing updated information received from States, regional organizations and the concerned organs and agencies of the United Nations system on action taken by them to alleviate the special economic problems of the affected States in the period following the lifting of the sanctions.

38. For its part, the Committee for Programme and Coordination, at its thirty-seventh session held from 9 June to 3 July 1997, considered the annual overview report of the Administrative Committee on Coordination for 1996,[7] which included, in accordance with the request contained in paragraph 132 of the report of the Committee for Programme and Coordination on the work of its thirty-sixth session,[8] a chapter entitled "Assistance to countries invoking Article 50 of the Charter of the United Nations".

39. During the discussion, a number of delegations expressed satisfaction with the continuing work of the

Administrative Committee on Coordination in the area of assistance to countries invoking Article 50 of the Charter. They emphasized that the imposition of sanctions on some countries had resulted in adverse effects on the economies of a number of neighbouring countries, and requested the Administrative Committee on Coordination to continue to keep that issue under review. Some delegations underscored the need to adopt appropriate measures for assisting countries that had been affected by the sanctions imposed on Iraq and the Federal Republic of Yugoslavia (Serbia and Montenegro).[9]

40. In conclusion, the Committee took note of the information provided on assistance to countries invoking Article 50 of the Charter, and indicated its support for measures for assisting countries that had been affected by the implementation of Security Council resolutions 661 (1990) and 724 (1991). The Committee requested the Administrative Committee on Coordination to keep the item on its agenda and to include it in future reports.[10]

Notes

[1] In paragraph 3 of resolution 50/51, the General Assembly requested the Secretary-General, within existing resources, to ensure that the Security Council and its sanctions committees are able to carry out their work expeditiously, and to make appropriate arrangements in the relevant parts of the Secretariat, in order to carry out, in a coordinated way, the following functions:

(a) To collate, assess and analyse information, at the request of the Security Council and its organs, on the effects of sanctions regimes in third States which are or may be specially affected by the implementation of sanctions and the resulting needs of such States, and keep the Security Council and its organs informed;

(b) To provide advice to the Security Council and its organs at their request on specific needs or problems of those third States and present possible options so that, while maintaining the effectiveness of the sanctions regimes, appropriate adjustments may be made to the administration of the regime or the regime itself with a view to mitigating the adverse effects on such States;

(c) To collate and coordinate information about international assistance available to third States affected by the implementation of sanctions and to make it officially available to the interested Member States;

(d) To explore innovative and practical measures of assistance to the affected third States through cooperation with relevant institutions and organizations inside and outside the United Nations system.

[2] The Department of Economic and Social Affairs was established by the Secretary-General in his programme for reform of the United Nations presented to the General Assembly on 15 July 1997. It is a merger of the former Department for Economic and Social Information and Policy Analysis, Department for Policy Coordination and Sustainable Development and Department for Development Support and Management Services.

[3] See note 1 above.

[4] The Department of Economic and Social Affairs prepared letters to the above-mentioned organizations and analysed their replies.

[5] The paper was prepared by the staff of the Fund and was first transmitted to the United Nations Secretariat in early 1995.

[6] The Department of Economic and Social Affairs prepared letters to 31 relevant organizations and institutions, inside and outside the United Nations system, requesting any views that they might have on the various aspects covered by paragraphs 5, 6 and 8 of General Assembly resolution 51/208 and analysed the 15 replies received.

[7] E/1997/54 and Corr.1.

[8] A/51/16 (Part I); to be issued as *Official Records of the General Assembly, Fifty-first Session, Supplement No. 16* (A/51/16).

[9] *Official Records of the General Assembly, Fifty-second Session, Supplement No. 16* (A/52/16), para. 324.

[10] Ibid., para. 338.